

**CPA AUDIT CHECKLIST FOR TOWN  
MUTUALS**

Ref: Chapter Ins 50, Wis. Adm. Code,  
and s. 601.42, Wis. Stat.\*



Wisconsin Office of the  
**COMMISSIONER  
OF INSURANCE**

State of Wisconsin  
Office of the Commissioner of Insurance  
P. O. Box 7873 Madison  
WI 53707-7873

**INSTRUCTIONS:** Complete, sign form, and file the audit report and required information to the Financial Filing Portal by **JUNE 1**, unless the CPA Audit Exemption Certification is filed.

|              |                   |             |
|--------------|-------------------|-------------|
| Insurer Name | NAIC Group<br>000 | NAIC Number |
|--------------|-------------------|-------------|

**Complete and return this with your CPA audit report by June 1 unless  
a CPA Audit Exemption Certification is filed.**

**For Year Ending December 31, \_\_\_\_\_**

1. Name of Certified Public Accountant (CPA) firm engaged to perform insurer audit:

|   | <b>Circle One</b> |    |
|---|-------------------|----|
| a. Did company have a change in CPAs this year? If NO, go to question 2. If YES, complete 1 b. - e.   | YES               | NO |
| b. Have you notified this office within 5 business days of the dismissal or resignation of the former CPA?  | YES               | NO |
| c. Have you submitted a letter, within 15 business days, stating whether in the 24 months preceding the change there were any disagreements with the former CPA as to accounting matters?                     | YES               | NO |
| d. Have you submitted a letter from the former CPA stating whether they agree with the company's statement in the letter described in item 1 c.?  | YES               | NO |
| e. Have you submitted a letter from the new CPA stating an understanding of the provisions of the Wisconsin insurance code and of the rules of the Commissioner relating to accounting and financial matters? | YES               | NO |

2. Name of accounting firm partner or other person responsible for rendering the audit report: \_\_\_\_\_

Number of consecutive years (including the year most recently audited) the firm partner or other person responsible for rendering the audit has acted in this capacity for this insurer: \_\_\_\_\_

3. Does the audit report include the following:

|  |     |    |
|--|-----|----|
| a. The report of the independent certified public accountant?                        | YES | NO |
| b. A balance sheet reporting admitted assets, liabilities, capital and surplus?      | YES | NO |
| c. A statement of operations?  | YES | NO |
| d. A statement of cash flows?  | YES | NO |
| e. A statement of changes in capital and surplus?                                    | YES | NO |
| f. Notes to the financial statements? (Refer to NAIC annual statement instructions.) | YES | NO |

4. a. Were audit adjustments made subsequent to the filing of the annual statement? YES NO
- b. If YES, do notes to the financial statements reconcile and explain any differences between the annual statement and the annual report? YES NO

If differences are material, or if adjustments result in insurer not meeting the minimum capital and surplus requirements of the Commissioner, your CPA is required to notify the board of directors or the audit committee of the insurer, in writing, within 5 business days. The insurer is required to

Insurer Name

Circle One

5. Have you submitted a consolidated report?

YES NO

If YES, complete 5 a., 5 b., and 5 c.

a. Is the company part of a group of insurers which utilizes a pooling or 100% reinsurance agreement that affects the solvency and integrity of the insurer's reserves under which the insurer cedes all direct and assumed business?

YES NO

b. Have you attached a worksheet reconciling the consolidated balance sheet to annual statement of the insurers with a column for each insurer and explanations of consolidating and eliminating entries?

YES NO

c. Have you obtained approval for consolidating from domiciliary state? (attach copy)

YES NO

6. Reconciliation between annual statement and audit report:

a. Admitted Assets

b. Capital and Surplus

c. Net Income

| Annual Statement | Audit Report | Difference |
|------------------|--------------|------------|
|                  |              |            |
|                  |              |            |
|                  |              |            |

If differences, these have been reconciled in (check one):

☐

Notes to the financial statements

☐

Consolidated worksheets prepared for question No. 5

☐

Other (attach)

7. The due date is **JUNE 1** for all insurers. Have you filed for an extension?

YES NO

Requests for extension must be made in writing 10 days before due date of the audit report and must show why the insurer and the CPA consider the extension necessary, including sufficient detail to permit an informed decision on the request.

8. a. AN INTERNAL CONTROL LETTER FROM THE AUDITOR IS REQUIRED WITHIN 60 DAYS AFTER DUE DATE OF CPA AUDIT REPORT. WAS AN INTERNAL CONTROL LETTER ISSUED?

YES NO

b. ANY MATERIAL WEAKNESS NOTED IN THE INTERNAL CONTROL LETTER MUST BE ACCOMPANIED BY A SUMMARY OF ANY REMEDIAL ACTION TAKEN OR PROPOSED. HAS THE COMPANY FILED REMEDIAL ACTION TAKEN WITH THIS OFFICE?

YES NO

9. Have you enclosed an accountant's letter of qualifications, pursuant to s. Ins 50.13, Wis. Adm. Code, noting the accountant's understanding that OCI will be relying on the information and agreeing to make work papers available for review?

YES NO

|                  |                                 |
|------------------|---------------------------------|
| Title of Officer | Name of Officer (Type or Print) |
| Date             | Signature of Officer            |

\* OCI may treat some or all of the information reported as public under ch. 19, Wis. Stat. If you believe your response contains proprietary confidential information, please identify the basis for your claim. A claim of confidentiality does not guarantee exemption from disclosure.

OCI 22-070 (R 11/2020)